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IRS Seeks to Return \$164.6 Million in Undelivered Checks to Taxpayers; Recommends the Use of E-file and Direct Deposit to Eliminate Future Delivery Problems

IRS YouTube Videos: <u>Tax Tips: Undeliverable Refunds - 2010</u>

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WASHINGTON — The Internal Revenue Service is looking to return \$164.6 million in undelivered refund checks. A total of 111,893 taxpayers are due one or more refund checks that could not be delivered because of mailing address errors.

"We want to make sure taxpayers get the money owed to them," said IRS Commissioner Doug Shulman. "If you think you are missing a refund, the sooner you update your address information, the quicker you can get your money."

A taxpayer only needs to update his or her address once for the IRS to send out all checks due. Undelivered refund checks average \$1,471 this year, compared to \$1,148 last year. Some taxpayers are due more than one check.

The average dollar amount for returned refunds rose by almost 22 percent this year, possibly due to recent changes in tax law which introduced new credits or expanded existing credits, such as the Earned Income Tax Credit.

If a refund check is returned to the IRS as undelivered, taxpayers can generally update their addresses with the "Where's My Refund?" tool on IRS.gov. The tool also enables taxpayers to check the status of their refunds. A taxpayer must submit his or her Social Security number, filing status and amount of refund shown on their 2009 return. The tool will provide the status of their refund and, in some cases, instructions on how to resolve delivery problems.

Taxpayers checking on a refund over the phone will receive instructions on how to update their addresses. Taxpayers can access a telephone version of "Where's My Refund?" by calling 1-800-829-1954.

While only a small percentage of checks mailed out by the IRS are returned as undelivered, taxpayers can put an end to lost, stolen or undelivered checks by choosing direct deposit when they file either paper or electronic returns. Taxpayers can receive refunds directly into their bank, split a tax refund into two or three financial accounts or even buy a savings bond.

The IRS also recommends that taxpayers file their tax returns electronically, because e-file eliminates the risk of lost paper returns. E-file also reduces errors on tax returns and speeds

up refunds. E-file combined with direct deposit is the best option for taxpayers; it's easy, fast and safe.

The public should be aware that the IRS does not contact taxpayers by e-mail to alert them of pending refunds and that such messages are common identity theft scams. The agency urges taxpayers not to release any personal information, reply, open any attachments or click on any links to avoid malicious code that will infect their computers. The best way for an individual to verify if she or he has a pending refund is going directly to IRS.gov and using the "Where's My Refund?" tool.